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Pension Exemptions

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Air traffic controllers, CIA and FBI agents, firefighters and other U.S. workers covered by special pension programs would not have to work longer to get full benefits under the federal retirement changes that will be proposed shortly by the Reagan administration.

That should come as very good news, especially in domestic and foreign intelligence agencies, where employes have expressed fears that any move to raise the retirement age would provoke a massive bailout by hundreds of invaluable, senior personnel.

But other features of the president's pension shakeup package would be applied to those special employes who—because of the nature of their jobs—are now encouraged to retire by their 55th birthday. Most of those workers can retire as early as age 50, with 20 years' service. Some CIA personnel, who serve overseas, can retire even earlier.

The new retirement rules, part of the president's upcoming budget proposal to Congress, would require most other federal and postal employes to stay until age 65 to get full pension benefits. They can now retire at age 55 with 30 years, on annuities that are equal to about 53 percent of their final salary.

Benefits for most federal workers are based on their length of service and their highest three-year salary average. The Reagan plan, if approved by Congress, would still permit retirement at 55. But employes would lose 5 percent of their annuity for each year they were less than age 65.

The proposal would also base future annuities on length of service and the employe's highest five-year salary average.

But administration officials say that no change in the retirement age is contemplated for the thousands of workers whose pensions are figured on a more generous formula intended to encourage them to retire early. Congress set up the special early retirement program for employes whose jobs are hazardous or lead to early burnout.

An Office of Personnel Management official said yesterday that other provisions of the Reagan retirement plan—except for the higher retirement age—would apply to all employes. In addition to the change from the high-3 to the high-5 year formula, they include:

- Limiting future cost-of-living-adjustments (COLAs) for retirees to either the percentage increase in inflation or the amount of the general federal pay increase, whichever is smaller.
- Giving full COLAs only to the first $10,000 of annuity. Pension amounts exceeding $10,000 would get 55 percent of the increase.